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REPORT TO THE CONGRESS

Payroll Operations Of The
District Of Columbia Government
Need Improvement B-118638

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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OCT. 30. 1972

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D C 20548

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To the President of the Senate and the
Speaker of the House of Representatives

This is our report entitled "Payroll Operations of the District of Columbia Government Need Improvement "

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U S C 53), and the Accounting and Auditing Act of 1950 (31 U S.C 67)

Copies of this report are being sent to the Director, Office of Management and Budget, and to the Commissioner of the District of Columbia

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General
of the United States

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CHAPTER 1

INTRODUCTION

The District of Columbia Government comprises 60 departments and agencies. These departments and agencies employed about 38,000 persons at December 31, 1971, and spent about \$483 million for salaries and wages during calendar year 1971. Employee compensation and benefits account for about 61 percent of the District's estimated total operating expenses for fiscal year 1972.

District Government departments and agencies prepare, in an average month, more than 150,000 documents which are used to determine the amounts of pay and leave for District employees. If employees are to be paid promptly and in correct amounts, each of these documents must be prepared accurately and processed promptly.

We reviewed the District's procedures for accumulating and processing employees' time, pay, and leave data during the period January 1970 through October 1971. The objective of our review was to determine whether weaknesses in the District's payroll operations reported previously by us and by the District's internal auditors had been corrected.

ORGANIZATIONAL RESPONSIBILITIES

Each District department and agency is responsible for preparing, controlling, and maintaining time and attendance records--the basic records used to record periods of employees' duty and leave time. Supervisory time and attendance personnel within departments and agencies are responsible for the accuracy and completeness of these records. Generally, at the close of each biweekly pay period, the departments and agencies submit a certified time and attendance report (Form D.C. 251), or other record of attendance, for each employee to the Pay and Retirement Division, Department of Finance and Revenue, for central payroll processing.

On the basis of these records and related payroll data, the Pay and Retirement Division prepares and certifies

the District's payrolls and related accounting reports. In addition, the Pay and Retirement Division prepares and maintains (1) administrative instructions relating to the District's payroll system, (2) accounting records and controls relating to time and leave data, and (3) information relating to the various retirement systems used for District employees.

The Office of Municipal Audits (formerly the Internal Audit Office), Department of Finance and Revenue, is responsible, among other things, for examining the accounts and financial practices of the District Government, including the audit of pay and leave records, and for making appropriate recommendations to improve District operations. All significant audit findings are reported to the Commissioner of the District of Columbia; the Director, Department of Finance and Revenue; and the heads of the audited District departments and agencies. Lesser findings are reported informally to the heads of the audited departments and agencies.

PRIOR AUDITS AND REVIEWS

The Office of Municipal Audits had reported numerous errors in the preparation of the District payrolls. For example, in a summary report for fiscal year 1967, the internal auditors stated that time, leave, and pay activities were some of the major administrative problem areas in the District Government and that, in 33 audits in which pay and leave matters had been included, 27 had disclosed deficiencies. These deficiencies included salary overpayments and underpayments, errors in leave records and time and attendance records, apparent excessive use of sick leave, and various weaknesses in internal controls. These deficiencies, in the opinion of the auditors, were due primarily to a lack of familiarity of personnel with applicable laws and regulations, inadequate supervision of personnel assigned to leave and pay operations, and inadequate administrative reviews.

In fiscal year 1970 the internal auditors reported that they had found deficiencies during 10 of 12 audits of time, pay, and leave operations. In fiscal year 1971 the auditors found deficiencies during 10 of 11 audits of pay and leave operations.

District departments and agencies have taken action, in many instances, to correct deficiencies reported by the internal auditors. As beneficial as these actions may have been in correcting pay and leave deficiencies in individual departments and agencies, they have not provided a fully effective solution to the continuing problem of pay and leave errors. We believe that one way in which internal audits of pay and leave operations could be more effective would be to have some audits of these operations made on a District-wide or multiagency basis (see p. 26) and thus obtain a basis for more systematic and coordinated action by District officials in correcting the causes of pay and leave deficiencies on a District-wide basis.

We previously reviewed the administration of pay and leave operations at selected District departments and agencies. During these reviews we found numerous deficiencies similar to those reported by the Office of Municipal Audits. Our prior reports on District pay and leave matters included.

Report to the Congress on "Inadequate Supervision of Payroll Activities, District of Columbia Government" (B-118638, July 22, 1965).

Report to the Commissioner of the District of Columbia on the "Continued Need for Improvement in the Maintenance of Employees' Attendance and Leave Records in the District of Columbia" (B-118638, Jan. 3, 1969).

In our 1965 report we concluded that most of the pay and leave errors had been caused by insufficient administrative review of pay and leave matters, insufficient supervision over personnel assigned to work on pay and leave matters, a lack of familiarity with all the requirements of applicable laws and regulations, and the failure of personnel to satisfactorily perform assigned tasks. In our 1969 report we reported a continuation of the previously reported weaknesses.

Recommendations for corrective action were not included in either of these reports, because the District Government informed us that it was taking corrective measures to improve its pay and leave systems and its training and

supervision of personnel assigned to pay and leave operations.

On March 19, 1965, the President of the District of Columbia Board of Commissioners, in commenting on a draft of our 1965 report, stated that the District had taken a number of measures--including instituting District-wide classroom training for timekeepers and placing more emphasis on the administrative review of pay and leave matters and on the supervision of personnel assigned to such work--to improve its pay and leave operations.

On May 23, 1968, the District's Acting Director of General Administration--after being furnished with a draft of our 1969 report--issued a memorandum to the heads of District departments and agencies emphasizing the need for strengthening time, pay, and leave administration, including increased training and supervision of timekeeping personnel and improved internal controls to insure more accurate records.

CHAPTER 2

PERSISTENCE OF WIDESPREAD PAY AND LEAVE ERRORS

ERRORS FOUND IN SAMPLE OF EMPLOYEES' RECORDS

To test the effectiveness of the District's procedures for accumulating and processing time, pay, and leave data, we made a detailed review of the pay and leave records of 100 selected District employees for calendar year 1970 and for the leave year ended January 9, 1971, respectively. These employees were selected by a statistical-sampling technique so that our sample would be representative.

We identified 114 pay and leave errors affecting 39 employees. These errors included overpayments and underpayments of salaries and overstatements and understatements of leave balances and generally were similar to those noted in our prior reviews and in the District's internal audits of pay and leave activities. The dollar value of the errors noted is summarized below.

	<u>Errors found in review of 100 employees' records</u>			<u>Total</u>
	<u>Number</u>	<u>Amount</u>		
		<u>Salary overpay- ments and leave over- statements</u>	<u>Salary under- payments and leave under- statements</u>	
Errors resulting in incorrect payments to employees	80	\$1,261	\$ 602	\$1,863
Errors resulting in incorrect annual and sick leave balances	<u>34</u>	<u>585</u>	<u>734</u>	<u>1,319</u>
Total	<u>114</u>	<u>\$1,846</u>	<u>\$1,336</u>	<u>\$3,182</u>

We estimate that the dollar value of undetected errors in all District employees' records would total at least \$800,000 during the calendar and leave years covered by our review. Because these estimated amounts are totals of individual amounts (salary overpayments and underpayments and leave overstatements and understatements) that largely offset each other, the value of the errors probably would not significantly affect the overall financial condition of the District Government. The significance of the \$800,000 estimate is that it provides some idea of the extent of inaccuracies in the pay and leave records of District employees.

Of even greater significance, in our opinion, is the estimated number of employees whose records contain errors. We are 95-percent confident that undetected errors in the District's pay and leave records affected between 30 and 49 percent of the District's employees in the calendar and leave years covered by our review. In our opinion, this high incidence of error indicates a continuing need for improved controls over the accumulation and processing of time, pay, and leave data to insure that employees are paid correctly and that their leave balances are computed accurately.

The causes of the pay and leave errors noted in our review are discussed in chapters 3, 4, and 5.

PAYCHECKS ISSUED IN ERROR

District records showed that 2,181 paychecks totaling about \$710,000, which had been issued by the District Government during calendar year 1970, had been returned to the Department of Finance and Revenue by the payees or their designated agents. We noted that 1,018 of these paychecks totaling about \$280,000 had been issued to employees of the District's public schools. The schools have classified these 1,018 checks by the reasons they were returned, as shown below.

	<u>Number</u>	<u>Amount</u>
Payments to employees who had previously terminated their employment	358	\$ 91,235
Payments to employees who were on leave without pay	329	78,946
Payments to employees who were deceased	72	29,215
Duplicate payments to employees for the same period	32	10,129
Payments in excess of amounts due employees	31	7,484
Payments to prospective employees who had not reported for work	22	6,451
Payments made to wrong payees	15	2,865
Reason unknown	<u>159</u>	<u>54,383</u>
 Total	 <u>1,018</u>	 <u>\$280,708</u>

Because it was impracticable to review the records supporting all of these paychecks, we examined the 1970 pay records of 59 public school employees who had paychecks issued to them in error for the pay period ended October 31. We found that these employees, in addition to having returned 117 erroneously issued checks to the Department of Finance and Revenue, had cashed 42 erroneously issued checks totaling \$13,498. This matter is discussed further in chapter 4.

District records show that, in calendar year 1971, about 2,400 erroneously issued paychecks totaling about \$800,000 were returned to the District Government for cancellation.

The extent to which erroneously issued paychecks may have been cashed by payees cannot be determined without a detailed audit of the District's pay records. These cashed checks conceivably could amount to anywhere from the several thousand dollars identified in our limited review of the pay records of selected public school employees to hundreds of thousands of dollars on a District-wide basis.

CHAPTER 3

NEED FOR IMPROVED CONTROLS OVER

THE ACCUMULATION OF PAY AND LEAVE DATA

BY DISTRICT DEPARTMENTS AND AGENCIES

To insure the accuracy of time, pay, and leave data forwarded to the Pay and Retirement Division for central processing, effective controls are needed over the accumulation and recording of this data by timekeepers. In our opinion, controls over the District's timekeeping operations were not fully effective in insuring the correctness of salary payments and the accuracy of leave records.

We believe that many of the pay and leave errors noted in our review would not have occurred if timekeepers had been adequately trained to apply payroll regulations and had followed prescribed procedures for verifying the clerical accuracy of their leave computations. Moreover, we believe that many clerical inaccuracies in posting pay, time, and leave data from source documents to time and attendance records would have been detected and corrected if supervisors had reviewed the accuracy of the timekeepers' work.

INADEQUATE TRAINING AND SUPERVISION OF TIMEKEEPERS

Time and attendance records, which are prepared by an estimated 4,600 timekeepers, are the basic documents used in determining employees' biweekly earnings and annual and sick leave balances. Our examination of the practices of 54 of the District's timekeepers and their supervisors in recording and reviewing employees' time and attendance data showed that, in many instances, the practices followed did not insure accuracy of the records or compliance with payroll regulations.

As stated previously, we found 114 errors in our review of the pay and leave records for 100 employees. These records, which were selected at random, had been prepared by various timekeepers. Many of the errors were clerical in

nature, such as errors in computations, in carrying totals forward, and in posting from source documents.

The Pay and Retirement Division, in its Time and Attendance Handbook issued in June 1965, recognized the need to insure the accuracy of leave computations. Although this handbook recommends verifying leave computations and provides a method for verifying them, we found that many timekeepers had not verified the leave computations. We believe that, if all leave computations had been verified, many of the errors might have been discovered and corrected by the timekeepers.

Many of the errors noted were wholly or partially attributable to the fact that timekeepers did not clearly understand or correctly apply applicable payroll regulations. For example, one timekeeper consistently accrued the wrong amount of leave for an employee, which resulted in an understatement of 10 hours of leave valued at \$16 over an 8-week period. A District Government official told us that a subsequent review showed that this timekeeper had made similar errors in the leave for about 74 other employees, which had resulted in an estimated total understatement of 530 hours of leave valued at more than \$800.

Experience has shown a high degree of correlation between the extent of training received by timekeepers and the number of payroll errors. Training can be provided to timekeepers in several ways, including classroom training and written instructions.

In previous years the Pay and Retirement Division had conducted a District-wide classroom training program for timekeepers. A District official told us, however, that this training had not been provided by the Pay and Retirement Division after 1966 (although some classroom training had been provided by individual District departments and agencies). Many of the timekeepers we interviewed said that they had not had any formal instruction in their duties.

Timekeeping instructions are contained primarily in the Time and Attendance Handbook. According to a District official, this handbook was the primary written instruction to timekeepers on the procedures to be used in recording

time and attendance data. Many of the timekeepers we interviewed, however, did not have the handbook.

In addition, supervisory reviews were insufficient to insure the accuracy of the data posted to time and attendance records. The timekeepers we interviewed said that many time and attendance records were forwarded to the Pay and Retirement Division without verification by supervisors of the accuracy of the postings from source documents. In our opinion, effective supervisory reviews would have disclosed many of the posting errors and would have revealed that timekeepers were not accurately recording leave data.

NEED FOR SEPARATION OF TIMEKEEPING
AND PAYCHECK DISTRIBUTION FUNCTIONS

One of the essential elements of an effective system of internal control is an appropriate separation of duties in carrying out the various functions pertaining to pay and leave. Title 6 of the District of Columbia Accounting Manual provides that, to the extent feasible, employees designated to distribute salary checks should not participate in preparing or approving time and leave records or other personnel documents. However, we found that 42 of the 54 timekeepers we interviewed were responsible also for distributing paychecks. Although we found no instances in which timekeepers had made unauthorized use of paychecks, we believe that the District's timekeeping and check distribution functions should be separated to the maximum extent practicable, to provide better internal control.

CHAPTER 4

NEED FOR IMPROVEMENTS IN THE PAY AND LEAVE OPERATIONS OF THE PUBLIC SCHOOLS

The District's public school system, with about 10,280 employees at December 31, 1971, is the largest single component of the District Government. Salary payments to the schools' employees--estimated at about \$113 million for fiscal year 1972--account for about 27 percent of the total District payroll.

Many paychecks were issued in error to former school employees, employees on leave without pay, deceased employees, and others not entitled to the payments (See p 11) This situation resulted largely from the fact that most of the schools' timekeepers were stationed at a central location rather than at the schools. Another factor that contributed significantly to the erroneous issuance of paychecks was the schools' untimely forwarding of employment termination documents to the District's central payroll office.

We reported our findings to the schools' Associate Superintendent for Budget and Executive Management in a letter dated November 22, 1971. Findings relative to these matters are discussed below.

Price Waterhouse & Co. made a study of the schools' management support systems between October 1971 and January 1972. Its study report, dated January 31, 1972, made several recommendations for improvement of the schools' organization, budget formulation; management information, financial, personnel, payroll, and position control; procurement and inventory management; and automated data processing. Four of these recommendations, which directly relate to problem areas identified during our review, are discussed on pages 17, 19, 21, and 27.

TIMEKEEPERS DID NOT KNOW WHETHER EMPLOYEES HAD WORKED

In District departments and agencies other than the public schools, most of the timekeepers we observed obtained

positive information concerning employee attendance through personal observation or reviews of time and attendance records signed by employees or prepared by the employees' supervisors. Timekeepers for the public schools, however, did not know whether employees worked because the timekeepers were stationed at a central payroll office and did not have reliable information regarding employee attendance.

Attendance information was reported to timekeepers by means of absence lists which were prepared at the schools and which identified only those employees who were absent during each pay period. Thus, under the procedures in effect, the timekeepers necessarily assumed that employees not reported as absent were at their official duty stations. This procedure for reporting attendance contributed to the issuance of paychecks to many terminated employees or employees who were on extended leave without pay.

For example, when an employee resigned, local school officials might not report him as absent in the belief that he had been removed from the active payroll. The timekeeper therefore would continue to certify that the employee was working, and the Pay and Retirement Division would prepare a paycheck for the employee each pay period.

Our review of the calendar year 1970 pay records of 59 public school employees who were issued checks in error for the pay period ended October 31 showed that 159 paychecks totaling \$45,219 had been issued in error to these 59 employees during the year. Of these 159 checks, 117 were returned to the Department of Finance and Revenue and canceled and 42 were cashed by the payees. Of the 42 cashed checks, 19 had not been discovered by District Government personnel at the time of our review. The public schools have initiated action to recover the \$13,498 of unearned payments from the payees of the 42 cashed checks.

The disposition of the 159 erroneously issued checks is summarized below.

	<u>Number</u>	<u>Amount</u>
Checks returned and canceled	117	\$31,721
Checks cashed by payees:		
Discovered by the District Government	23	5,588
Not discovered by the District Government	<u>19</u>	<u>7,910</u>
Total	<u>159</u>	<u>\$45,219</u>

Of the 159 erroneously issued checks, 69 were issued primarily because of errors made in recording and processing time and attendance data and 90, totaling \$23,150, or 51 percent of the amount of the erroneously issued checks, were issued because timekeepers had erroneously certified school employees as having worked.

For example, one school employee terminated his employment on August 31 but the timekeeper continued to certify that he was working until November 27. During this 3-month period, six paychecks totaling \$1,625 were issued to the former employee. Four of these checks totaling \$1,083 were cashed by the payee, and two were returned to the Department of Finance and Revenue and canceled.

To relieve the central payroll office of the task of posting data from source documents to time and attendance records and to achieve greater efficiency in the maintenance of leave records, the Price Waterhouse study report recommended that the time- and leave-recording functions be decentralized.

We agree that the schools' time- and leave-recording functions should be decentralized. We believe that, to minimize or eliminate the issuance of paychecks to terminated employees and other ineligible payees, the decentralization should extend to the individual-school level where timekeepers can have daily contact with employees and know first-hand whether they are present. Effective supervision of these timekeepers should be provided to insure that time and attendance data is accurately reported.

On July 20, 1972, a public school management consultant informed us that the school system planned to decentralize its time- and leave-recording functions to individual schools by early 1973.

DELAYS IN PROCESSING
EMPLOYMENT TERMINATION DOCUMENTS

For public school employees to be paid promptly, documents which affect employees' benefits must be processed promptly. Long delays often occurred in the processing of documents terminating the employment of employees.

To prevent the issuance of paychecks to terminated employees, either employment termination documents must be received promptly by the District's central payroll office so that the names of terminated employees can be removed promptly from the active payroll or terminated employees must be reported as absent until termination documents for them have been processed.

Our review of the pay records of the 59 selected public school employees showed that 61 paychecks totaling \$14,345 had been erroneously issued, because termination documents had not been forwarded promptly to the District's central payroll office. The payees cashed 12 of the checks totaling \$1,967. The remaining 49 checks were returned by the payees or their agents and later canceled.

For example, one employee resigned on August 31; however, the schools' personnel office did not forward the necessary documentation until December 1. During that 3-month period the former employee received and cashed two paychecks totaling about \$270 and received two additional checks which he returned.

An official of the public schools told us that a log would be kept to help identify the locations where delays in the processing of employment termination documents were occurring so that corrective action could be taken to reduce the delays.

We believe that the proposed procedure, if effectively carried out, should help bring about more timely processing

of employment termination documents. In our opinion, however, a more effective way to minimize delays in this area would be to centralize the preparation of personnel action documents. Under existing procedures, personnel action documents are prepared in seven different operating departments of the school system.

Price Waterhouse, in its January 1972 study report, recommended that the schools' personnel and position control functions, including the preparation of personnel action documents, be centralized. The report criticized the lack of control over personnel actions under the existing decentralized system and noted that, as a result, some of the schools' operating departments did not know how many positions they were authorized, whereas it appeared that other departments knowingly retained more staff than authorized.

On July 20, 1972, a public school management consultant informed us that the school system planned to have its personnel and position control functions centralized by November 15, 1972.

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In addition to the many erroneously issued public school paychecks that were returned for cancellation, many other erroneously issued paychecks--in addition to the ones noted in our limited review--may have been cashed by payees.

The amount of erroneously issued paychecks that may have been cashed by payees is not known but conceivably could total hundreds of thousands of dollars on a District-wide basis. (See p. 11.)

A task force report on January 22, 1972, to the Commissioner of the District of Columbia attributed about 40 percent of a projected \$3 million deficit in school funds for fiscal year 1972 to expenditures for personnel salaries in excess of budgeted amounts. The report indicated that a major reason for this overspending was that the schools employed about 250 more persons than authorized. Although the report did not discuss the subject of cashed erroneously issued paychecks, these checks, of course, would have contributed to the overspending for personnel salaries.

CHAPTER 5

NEED FOR IMPROVED CONTROLS OVER THE PROCESSING OF

PAY AND LEAVE DATA BY THE CENTRAL PAYROLL OFFICE

Although the pay and leave errors noted in our review were basically caused by inaccurate recordkeeping and untimely processing of documents by District departments and agencies, we believe that many of the errors could have been detected if better controls had been in force in the District's central payroll office (the Pay and Retirement Division). For example.

1. Many errors in the computation of employees' leave balances could have been discovered had leave computations been verified by the use of an automated leave-accounting system.
2. Several processing errors which resulted in the erroneous issuance of paychecks could have been avoided had the use of predetermined control totals been expanded to include all time and attendance data.
3. Several erroneously issued paychecks would not have been issued if terminated employees' pay files had been placed promptly in an inactive status.

NEED FOR AN AUTOMATED LEAVE-ACCOUNTING SYSTEM

One of the basic objectives of an effective payroll system is to provide adequate control over the amounts of annual and sick leave earned and used and the balances remaining for each employee. Our review of the time and attendance records for 100 selected employees disclosed a total of 34 errors in the leave records for 26 employees. On the basis of this sample, we estimate that leave errors affected from 17 to 35 percent of all District employees during the leave year ended January 9, 1971.

Our analysis indicated that 19 of the 34 errors might have been discovered and corrected from information available in the Department of Finance and Revenue had an

effective automated leave-accounting system been used to verify leave calculations. These 19 errors were of four types, as shown below.

<u>Type of error</u>	<u>Number of errors found in review of 100 employ- ees' records</u>
Leave balances not reduced when leave without pay reached 80 hours	2
Incorrect accrual of leave entitlement	8
Incorrect addition of leave amounts	4
Totals incorrectly carried forward	<u>5</u>
 Total	 <u>19</u>

Similar errors--noted in our review of selected aspects of the District's time, pay, and leave administration during fiscal years 1966 and 1967--were reported in our January 1969 report to the Commissioner of the District of Columbia. (See p. 7.) In response to our draft report on that review, the District's Acting Director of General Administration informed us that a payroll study team had developed and recommended modifications to the District's payroll system which would provide a basis for the automation of leave accounting.

The Supervisor, Pay and Retirement Division, informed us that the recommended modifications had not been made because resources to implement them were not available. He stated, however, that the automation of leave accounting was still considered necessary and would be undertaken when necessary resources become available

In its January 1972 report on the public schools' management support systems, Price Waterhouse recommended that the schools establish an automated leave-accounting system as part of its proposed comprehensive automated personnel, payroll, and position control system. The report recognized, however, that it would be preferable to have a District-wide automated leave-accounting system and pointed out that the recommendation for an automated leave-accounting system for the schools should be reevaluated if

the District decided to automate its leave accounting on a District-wide basis

On July 20, 1972, a public school management consultant informed us that the school system planned to implement the Price Waterhouse recommendation for an automated leave-accounting system but had not yet established a time schedule for such implementation.

We agree that, in the absence of a District-wide system, an automated leave-accounting system for the schools would be beneficial in effecting better control over the schools' leave operations. In view of the much greater benefits to be achieved from a District-wide system, however, we believe that the District should automate all of its leave accounting to serve the needs of the District Government as a whole.

The implementation of our recommendation for increased emphasis on the training and supervision of timekeepers (see p. 29) should help prevent many leave errors. An automated leave-accounting system would provide a further means for verifying the accuracy of leave records and for detecting and identifying the causes of leave errors.

PREDETERMINED CONTROL TOTALS NOT USED
ON ALL TIME AND ATTENDANCE DATA

Accuracy and completeness of data introduced into an automated payroll system are essential if employees are to be paid correctly. We believe that, in processing payrolls, predetermined control totals of at least hours and rates of pay should be used as a means of checking the accuracy of the data being processed. Predetermined control totals are arithmetic totals that can help to insure that all data introduced into an automated-processing operation has been actually processed and that processing has been correctly performed.

When predetermined control totals are used, arithmetic totals are taken before data is introduced into the computer system for processing. Corresponding totals are accumulated independently during the data processing operation. These independently accumulated totals are then compared with, and must be equal to, the predetermined control totals.

Unequal totals indicate that not all data was processed or that the data was processed incorrectly. Appropriate action can then be taken to identify and correct errors before erroneous paychecks are issued.

Our review of the pay records for 100 randomly selected District employees disclosed that four checks totaling about \$1,000 had been erroneously issued, because the Pay and Retirement Division had not used predetermined control totals to verify that time and attendance data was processed correctly. In addition, our examination of the records of 59 public school employees showed that predetermined control totals could have prevented the erroneous issuance of six checks totaling about \$1,450.

Although the Pay and Retirement Division used predetermined control totals in its payroll-processing operations, these totals were only partially effective because all information was not brought under this type of control. Under the system followed by the Division, clerks were responsible for verifying that a time and attendance report was received for each employee with an active pay file. These reports were then separated on the basis of whether an employee should or should not receive a normal paycheck. Only those reports for employees who should not receive normal paychecks were included in the predetermined control total. Thus, if a clerk failed to note that a report was missing or that a report was not normal, the system automatically prepared a normal paycheck for the employee, regardless of the amount of time he actually worked.

In May 1971 the District modified its payroll system to require that all time and attendance data be included in predetermined control totals and verified to independent totals accumulated during data processing operations. We believe that this action should help to improve controls over the processing of payroll data by the Pay and Retirement Division.

DELAYS IN PLACING TERMINATED EMPLOYEES' PAY FILES IN AN INACTIVE STATUS

If a payroll system is to be fully effective, the names of terminated employees must be promptly removed from the

active rolls to prevent erroneous payments after termination. This requirement increases in importance when an employee is paid automatically for his normal tour of duty unless a special instruction is given to the computer to stop the issuance of a paycheck. In this situation an employee will be erroneously paid when his time and attendance report (1) incorrectly states that he worked when, in fact, he previously was terminated or (2) correctly states that he did not work but action was not taken to instruct the computer not to issue a paycheck.

We found that many paychecks were issued in error because the pay files of previously terminated employees had not been placed in an inactive status. For example, one public school employee was appointed for a period to end not later than June 30, 1970. Although his employment was terminated on June 30, his payroll file was not coded inactive until March 30, 1971, 9 months after his termination. During October and November 1970, four paychecks totaling \$1,222 were erroneously issued to this former employee. Three of these checks were returned to the Department of Finance and Revenue, and one check was cashed by the payee.

The issuance of many paychecks to terminated school employees could have been prevented if initiating organizations had promptly transmitted employment termination documents to the District's central payroll office. (See p. 18.) Delays in the transmission of other payroll documents to the central payroll office also contributed to the issuance of paychecks to terminated employees even though the documents were not needed by the central payroll office as a basis for discontinuing the employees' pay. We noted two Pay and Retirement Division procedures which unnecessarily permitted the issuance of paychecks to terminated employees by keeping their pay files active for extended periods after their terminations.

One of these procedures delayed the deactivation of terminated employees' pay files until the Pay and Retirement Division could pay them for annual leave which they had earned but had not used. Under this procedure terminated employees' pay files were kept in an active status until the employees' leave records had been received from timekeepers and audited by the Pay and Retirement Division. We found

instances in which this procedure had delayed the deactivation of terminated employees' pay files for 6 months or longer while the Division waited for leave records to become available.

The other procedure delayed the deactivation of the pay files of terminated temporary employees. Under this procedure the Pay and Retirement Division did not deactivate the pay files of temporary employees, who were originally hired with specific termination dates, until notifications were received that these dates had not been extended. We noted instances where the deactivation of terminated temporary employees' pay files had been delayed by 6 months or longer because notifications that their appointments had not been extended were not received and processed promptly by the Pay and Retirement Division.

To insure that paychecks are not issued to terminated employees, the District's payroll system should be modified to provide for the removal of terminated employees' names from the active payrolls when their terminations become effective.

CHAPTER 6

INTERNAL AUDITS

An effective internal audit function provides management with information on whether (1) performance is effective, efficient, and economical, (2) management policies are followed, (3) applicable laws and regulations are complied with, and (4) unauthorized transactions are prevented or discovered.

The Office of Municipal Audits and Inspection (formerly the Office of Municipal Audits, Department of Finance and Revenue), is responsible for reviewing the operations of District departments and agencies. This organization reviews pay operations through a series of reviews aimed at identifying deficiencies in individual departments, agencies, or programs.

NEED FOR DISTRICT-WIDE OR MULTIAGENCY AUDITS

Although the review of payroll operations on a department, agency, or program level can be an effective method of identifying the problems of an individual department, agency, or program, we believe that the Office of Municipal Audit and Inspection could increase its effectiveness by periodically conducting District-wide or multiagency reviews of payroll operations. These reviews, when based on appropriate statistical-sampling methods, should provide for

- a statistically sound basis for projecting the number of District employees' records containing pay and leave errors,
- a reduction in the total number of employee records which must be reviewed to verify the accuracy of pay and leave records,
- the identification of problems common to all District organizations and the solution of these problems on a District-wide or multiagency basis, and

--a systematic basis for identifying those departments and agencies which should receive increased administrative and audit attention

NEED FOR INCREASED INTERNAL AUDIT ATTENTION TO
PAYROLL OPERATIONS OF THE PUBLIC SCHOOLS

Internal audits of the payroll operations of the District's public schools have been limited in both frequency and scope. For example, a District official told us that in fiscal years 1970 and 1971 the Office of Municipal Audits had made only one audit of the schools' payroll operations and that this audit had been limited to those school activities that were financially supported from the so-called impact aid fund (Federal aid to school districts with large numbers of Federal employees). A report on the results of this audit had not been issued as of July 20, 1972.

We believe that, to provide management with information necessary for the effective administration of the schools' payroll operations, increased internal audit attention should be given to this area.

The need for increased internal audit attention to the schools' operations was recognized in the Price Waterhouse study report on the schools' management support systems. The report recommended that, to satisfy this need, an internal audit capability be provided within the public school system; the report noted that the schools were considering establishing three internal auditor positions for this purpose. On July 20, 1972, a public school management consultant informed us that the school system planned to establish an internal audit staff in accordance with the Price Waterhouse recommendation but had not established a definite target date for this action.

Although the proposed audit staff might be helpful in identifying problems needing attention by the schools' management officials, we doubt that such a staff would be of sufficient size to insure the attraction and retention of qualified personnel and to permit the most productive use of staff capabilities.

We believe that a more desirable alternative would be to have substantially increased audit attention given to the schools' operations by the Office of Municipal Audit and Inspection. In our opinion, strengthening the District's centralized internal audit organization--as opposed to the fragmentation of internal audit activities at individual department or agency levels--would (1) facilitate more effective utilization of audit staff resources, (2) provide better supervision and training of auditors, (3) permit a more coordinated and better managed audit effort, and (4) insure the reporting of all significant audit findings to top-level District management officials.

Effective August 1, 1972, the District raised the organizational level of its internal audit staff by placing it within the Executive Office of the District Government (See p 33.)

CHAPTER 7

CONCLUSIONS, RECOMMENDATIONS, DISTRICT COMMENTS, AND GAO EVALUATION

CONCLUSIONS

Widespread errors in the pay and leave records of District employees had been a problem in previous years. District officials had recognized the problem but had not effectively dealt with it. Measures taken by the District included issuing written instructions to timekeepers, stressing the need for effective supervision of timekeeping functions, and emphasizing the need for accuracy in time and attendance recordkeeping. Although these actions might have resulted in preventing some pay and leave errors that otherwise might have occurred, the number of pay and leave errors continued to be significant.

We believe that, if timekeeping errors are to be significantly reduced, an effective District-wide monitoring system is needed to insure that systematic, coordinated action is taken to eradicate the causes of the errors. Such a system could, in our opinion, insure that effective management action is taken to correct the underlying causes of reported errors. For the proposed monitoring system to be of maximum effectiveness, it should be established, through an assignment of responsibility, at a high level within the District Government--possibly within the Office of the Commissioner.

RECOMMENDATIONS TO THE COMMISSIONER OF THE DISTRICT OF COLUMBIA

We recommend that the District of Columbia Government:

- Emphasize the training and supervision of timekeepers by providing classroom training to all timekeepers, alternates, and supervisors and by establishing a system to monitor timekeeping operations on a District-wide basis.

- Decentralize the timekeeping and leave-recording functions of the public schools to the individual schools to provide more control over these operations.
- Develop and implement an automated leave-accounting system.
- Modify its payroll system to provide for the prompt removal of the names of terminated employees from the active payroll
- Have periodic internal audits of pay and leave operations made on a District-wide or multiagency basis
- Give more internal audit attention to the payroll operations of the public schools to provide management with information regarding the efficiency and effectiveness of these operations.
- Have an immediate audit made of each department's and agency's payroll records to determine the amount of moneys paid out in error as salary payments and take necessary action to recover the amounts of these payments.
- Centralize personnel and position control functions within the public school system (and within other District departments and agencies, to the extent applicable) to insure effective control over personnel functions and to minimize delays in processing personnel actions.
- Enforce the District's policy of having paychecks distributed by personnel other than timekeepers to the maximum extent practicable.

DISTRICT COMMENTS AND GAO EVALUATION

The District Government, in commenting on our draft report by memorandum dated May 31, 1972 (see app. I), stated that it found the report to be constructive and informative, that most of the problems described were already being attacked in the District's current efforts to improve its financial management, and that other findings in the report

could help guide the District's improvement program as it moved into other areas in the months ahead. The District believed that its strong commitment to strengthening financial management, including payroll operations, and the broad scope of the current improvement program would insure that existing problems were fully overcome.

Specific actions initiated or planned by the District to strengthen its payroll operations, together with our evaluations, are discussed below

Timekeeping

The District's Office of Budget and Financial Management has initiated a survey of all District agencies to identify agency time and attendance procedures and practices. The Office of Budget and Financial Management plans to use the results of this survey to determine specific problem areas within each agency and to recommend needed improvements.

On March 22, 1972, the Commissioner of the District of Columbia issued an order (see app. I) emphasizing to District departments and agencies the importance of timely and accurate recording and reporting of employees' time and attendance and requiring the head of each department and agency to immediately develop and conduct training courses for all timekeepers, alternates, and supervisors of timekeepers. The order stresses that it is the responsibility of management to insure that the supervisors of timekeepers are thoroughly familiar with all the rules and regulations relating to time, leave, and attendance and the proper reporting thereof.

The order requires the Director of the Department of Finance and Revenue to (1) develop and issue guidelines for training timekeepers and supervisors, (2) provide assistance and technical advice as necessary to departments and agencies, and (3) direct the attention of department and agency heads to significant errors in the reporting of time, leave, and attendance--with department and agency heads to be responsible for taking immediate corrective action.

The order requires also that department and agency heads (1) conduct surveys of time and attendance procedures and practices within their agencies at least once each year to determine adequacy and compliance with policies and procedures issued by the Department of Finance and Revenue and (2) keep the results of these surveys on file for audit by the Department of Finance and Revenue.

The District, in its May 31 memorandum to us, stated that these efforts to improve time and attendance record-keeping and reporting procedures would be closely watched to insure their success.

In commenting on our recommendation for decentralizing to the individual school level the timekeeping and leave-recording functions of the public schools, the District stated that the school system agreed with the concept of decentralizing its time and attendance personnel and that implementation of this concept was expected. On July 20, 1972, a public school management consultant advised us that the schools' time and leave recording would be decentralized by early 1973.

We believe that the actions being taken by the District are a step in the right direction and, if effectively administered, should result in a significant reduction in timekeeping errors.

Central payroll processing

In its May 31 memorandum, the District recognized the need for a fully automated time and attendance system and noted that an automated leave-accounting system was planned as part of an overall financial management improvement program and that survey work--which eventually is expected to lead to system design and implementation--had been started. Also procedures were being established for identifying terminated employees and for rejecting their records from the active employee pay files.

In our discussion of these and other matters with District officials on June 5, 1972, the Special Assistant to the Commissioner stated that meaningful estimates of when these system changes would be implemented could not be made

at that time. He noted that the estimated time frame for full implementation of the District's overall financial management improvement program--of which these system changes are part--was 18 to 36 months.

In view of the recognized benefits to be obtained from an automated leave-accounting system, we believe that the District should assign a high priority to its development and implementation. We believe also that the District should assign a high priority to modifying its payroll system to insure the prompt removal of terminated employees from the active pay files. Further delays in making these system changes will result in a continued impairment of the District's ability to detect and eliminate the causes of leave errors and in a continuation of existing conditions which have contributed to the issuance of erroneous paychecks to terminated employees.

Internal audits

During our June 5 meeting with District officials, the Special Assistant to the Commissioner stated that the Commissioner was strongly committed to expanding the District's internal audit capabilities as an essential part of the District's financial management improvement program. This expansion is expected to result in increasing and upgrading the District's internal audit staff to the point where it eventually will be able to give more audit attention to payroll operations of all District departments and agencies, including the public schools, and to make District-wide pay and leave audits.

On July 14, 1972, the Commissioner of the District of Columbia issued an order effective August 1, 1972, placing the District's internal audit staff (as the new Office of Municipal Audit and Inspection) within the Executive Office of the District Government. This action is consistent with our longstanding position that internal auditors should be responsible to the highest practicable organizational level to provide them with an adequate degree of independence from officials who are directly responsible for the operations they review and to insure recognition of the stature and importance of the internal audit function in the management control system.

During our June 5 meeting, the District officials expressed their full agreement with the concept of our recommendations for increased audit attention to the payroll operations of the public schools, for District-wide pay and leave audits, and for a special audit to determine the total amount of erroneously issued paychecks which may have been cashed by payees. They pointed out, however, that the District currently did not have a large enough audit staff to make District-wide pay and leave audits, make a special audit relating to unearned salary payments, or give much more attention than it then did to payroll audits of District departments and agencies.

The District officials explained that District-wide audits of pay and leave operations must be deferred until the audit staff was increased to the point where it would be able to make these audits. We believe that, in the meantime, the District should consider broadening the scope of its audits of pay and leave operations by making some of these audits on a multiagency basis. Using this approach some of the benefits of District-wide audits could, to a lesser degree, be achieved by audits which would not be District-wide but which would cover the operations of a number of District departments or agencies.

As previously brought out in this report, the District's internal audit staff makes numerous audits of payroll activities on an individual department, agency, and program basis. If the records reviewed during these audits were statistically selected on a multiagency basis, much time could be saved because fewer records would have to be reviewed to obtain statistically sound projections of the total number of employees' records containing errors. The time thus saved could be used to prepare reports on multiagency problems. Reports on individual department and agency problems still could be issued, as necessary, to appropriate department and agency officials.

In view of the potential benefits to be achieved, we believe that the District should consider the feasibility of starting now to make audits of pay and leave operations on a multiagency basis, with the ultimate objective of expanding these audits to a District-wide basis when the audit staff is increased.

The District officials expressed particular doubt concerning the feasibility of auditing payroll records of District departments and agencies to determine the amount of cashed erroneously issued paychecks. They pointed out that such an audit would be difficult and time consuming and stated that the District did not have the internal audit staffing necessary to make the audit. They were in full agreement, however, about the desirability of such an audit.

A realistic approach to this problem would be to have the respective departments and agencies, rather than the District's internal audit staff, make the audit. Under this approach, the audit effort would be divided among more personnel and the involvement of the District internal audit staff would be limited to directing and coordinating the audit effort, rather than to doing the detailed audit work.

Other matters

District officials have informed us that the public schools plan to centralize their personnel and position control functions, that the extent to which these functions are decentralized in other District departments and agencies will be explored so that action can be taken to achieve greater centralization if warranted, and that the District will reaffirm its requirement for separating timekeeping and paycheck distribution functions whenever practicable.

The District's May 31 memorandum raised certain questions concerning the reasonableness of our estimate of the total dollar value of undetected errors in the District's pay and leave records and the conclusions to be drawn from that estimate. One of the questions related to the fact that our estimate was based on a relatively small sample of employees' records which was selected District-wide rather than by department and agency.

The sample was designed to develop conclusions about District-wide payroll operations. To do this, the employees of all departments and agencies were considered to be members of a single universe. The sample was then randomly drawn from this one universe so that each employee had an equal chance of being selected without regard to department or agency. The representation of each department and agency

in the sample should be approximately proportionate to that department's or agency's total employment.

Recognized authorities in statistical sampling state that the validity of a projection is based on the method used to draw the sample rather than on the size of the sample. Because our sample was randomly selected from the District's central pay files, we believe that our estimate is representative of the District's payroll as a whole

The second question raised in the District's memorandum was whether the District's performance in the payroll area was any worse than that of other large cities with comparable numbers of employees. We do not have information concerning the payroll operations of other large cities. We believe, however, that, regardless of the problems of other cities, the District should take all necessary steps to reduce errors in the pay and leave records of its employees and to keep these errors to a realistic minimum. The District, in its May 31 memorandum, agreed

CHAPTER 8

SCOPE OF REVIEW

Our review was concerned primarily with the procedures for accumulating and processing time, pay, and leave data and the controls for insuring that District employees were paid correctly and that their entitlements to leave were computed accurately.

We reviewed procedures and controls in effect during the period January 1970 through October 1971 and made a detailed examination of the pay and leave records of 100 District employees for calendar year 1970 and the leave year ended January 9, 1971. In addition, we reviewed the 1970 pay records of 59 selected public school employees to whom paychecks were issued erroneously.

Our review was made at the District's Department of Finance and Revenue and at selected District Government departments and agencies

D C 44
 May 1967

Memorandum • **Government of the District of Columbia**

TO	Mr Willard L Russ Assistant Director U S. General Accounting Office	Department, Agency, Office	Executive Office Budget and Financial Management
FROM	Comer S Coppie Special Assistant to the Mayor-Commissioner	Date	MAY 31 1972
SUBJECT	Comments on the General Accounting Office Audit of Payroll Operations		

At the request of Mayor Washington, I have reviewed your draft report, "Continued Need To Improve Payroll Operations of the District of Columbia Government " This memorandum presents my comments.

In general, I found the report constructive and informative. Most of the problems described are already being attacked in our current effort to improve financial management throughout the District Government. Other findings in the report can help guide our improvement program as it moves into other areas in the months ahead. In my judgment, the city's strong commitment to strengthening financial management, including payroll operations, and the broad scope of the current improvement program will ensure that existing problems are fully overcome.

Before commenting on the major weaknesses cited, I wish to discuss the validity and reliability of error rates and associated dollar amounts quoted in the report.

An extremely small sample of payroll records was used in calculating probable error rates, and the results derived from the sampling technique may not be applicable for all city programs. As a result, any conclusions reached on the basis of the sample could prove misleading.

[See GAO note]

It is our judgment that the District Government's performance in the payroll area is no worse than the performances of other large cities that must process tens of thousands of payroll records. Large and complicated payroll operations cannot be completely error free. We are committed, however, to keeping errors to a realistic minimum.

The balance of this memorandum describes how the city government is moving forward in the three major improvement areas discussed in the report.

1. Improving record keeping and processing of payroll documents at the agency level

The Office of Budget and Financial Management is conducting a survey of all city agencies to identify agency time and attendance procedures and practices (The survey form is attached) From the survey results, the office will determine specific problem areas within each agency and will recommend needed improvements

The Office is also planning to direct District agencies to conduct training programs for time and attendance personnel to help ensure uniform application of standards and procedures throughout the city government. This action will deal with the report's finding that agency personnel are not sufficiently familiar with time and attendance regulations and procedures. In addition, this Office is developing more detailed guidelines for time and attendance reporting and training.

This improvement effort will be closely watched to ensure its success. As you may be aware, the Mayor recently issued an order concerning the development of various agency training programs. A copy of the Commissioner's Order is attached

We recognize that organizational changes are needed in the payroll operations of the D. C. Public Schools. As you are aware, the school system does have quasi-independent administrative control over its procedures. However, the school system has agreed with the concept of decentralizing its time and attendance personnel. Implementation of this concept is expected.

2. Strengthening central control over incoming time and attendance information.

The District Government recognizes the need for an automated time and attendance system, with predetermined central controls over all information entering the payroll system and with the capacity to remove from the active files records of terminated employees. An automated leave system is planned as part of the District's overall financial improvements program. Currently underway is the survey work that will lead to systems design and eventually to systems implementation

In addition, I would like to point out that current payroll procedures do provide for predetermined controls over all payroll information entering the payroll system. Procedures are now being established for identifying employees in a terminated status and for rejecting their records from the active employee pay files. These changes will improve the quality and accuracy of the payroll information

3. Developing the capability for District-wide audits of payroll records

The District audits time and attendance records for each agency now through the regular audit process. Because of the lack of adequate resources, a District-wide payroll audit cannot be considered at this time. However, we do agree with the concept. As we move forward with the financial management improvement program, resources will be redirected to other assignments. It is anticipated that additional efforts will be directed toward this goal.

Moreover, the automation of time and attendance records will greatly facilitate a District-wide payroll audit while eliminating the possibility of many manual errors.

In summary, I believe that the current improvement effort will overcome the existing problems in the city's payroll operation. We are committed to reaching the goals of the improvement program. We shall keep you apprised of our progress.

Attachments

GAO note Comments pertaining to draft report material revised in the final report have been omitted.

BEST DOCUMENT AVAILABLE

GOVERNMENT OF THE DISTRICT OF COLUMBIA

ADMINISTRATIVE ISSUANCE SYSTEM

Commissioner's Memorandum 72-21

March 22, 1972

TO Heads of Departments and Agencies

ORIGINATOR Mayor Walter E. Washington 

SUBJECT Time and Attendance Reporting

The District government is presently engaged in a major effort to improve its financial management systems and operations. An extremely important operation within the overall financial management system is reporting of time and attendance for payroll purposes. The accurate and timely reporting of employees' time and attendance is a responsibility of management and is as important a responsibility as any assigned to management. Inaccurate or erroneous reporting of time and attendance can be extremely costly both to the District government and the individual employee.

The problem of errors in time and attendance reporting is not a new one. However, despite numerous past efforts to resolve this problem, recent studies of payroll operations by the D. C. Department of Finance and Revenue and the General Accounting Office indicate an alarming number of deficiencies in the time, leave and pay records of many District departments and agencies. Most of the errors are clearly attributable to the lack of supervision and training of timekeepers and their supervisors in these matters.

While the daily recording of time and attendance of every District employee is necessarily delegated to the lowest possible levels of each organization, department and agency heads cannot divorce themselves from the responsibility to assure that such recording is performed timely and accurately by thoroughly trained time and attendance personnel. Also, since supervisors at all levels within each organization are responsible for the accuracy of time and attendance reports of employees under their supervision, it is the responsibility of management to assure that they are thoroughly familiar with all of the rules and regulations relating to time, leave and attendance and the proper reporting thereof. The task is complicated by the numbers of time and attendance personnel and

by the recorded high rate of turnover of such clerks

In view of the foregoing, it is essential that specific new guidelines and procedures be established and carefully adhered to by all departments and agencies in order to effectively control this problem on a continuing basis in the future. This is a significant part of my commitment to improve financial management throughout the District of Columbia government.

As one part of this program, therefore, I am asking that the following actions be taken promptly

Department and Agency Heads shall

1. Within 30 days of the date of this memorandum and at least once each year thereafter conduct a survey of time and attendance procedures and practices within their agencies to determine adequacy and compliance with policies and procedures issued by the Office of District Accounting, Department of Finance and Revenue

2. Maintain on file in their office for audit by the Department of Finance and Revenue copies of the results of surveys of time and attendance procedures within their agencies

3. Immediately develop and begin to conduct training courses for all timekeepers, alternates and supervisors of timekeepers and shall continue to provide such training at regular intervals hereafter. All timekeepers, alternates and supervisors of timekeepers must receive a minimum of 4 hours training in time and attendance procedures

The Director of the Department of Finance and Revenue shall

1. Develop and issue guidelines for the training of timekeepers and their supervisors and provide assistance and technical advice as necessary to departments and agencies.

2. Direct to the attention of the department and agency heads significant errors in the reporting of time, leave and attendance and it shall be the responsibility of the department or agency head to take immediate corrective action.

EXPIRATION DATE To be replaced by a future Commissioner's Administrative Instruction

BEST DOCUMENT AVAILABLE

Date _____

TO HEADS OF DEPARTMENTS AND AGENCIES

FROM Office of Budget & Financial Management, District Accounting

SUBJECT Survey of time and attendance procedures and practices.

Please complete the following survey within ten days of the date of this memo. Send one copy to the Accounting Division, Office of Budget & Financial Management, and keep one copy on file in your office

- 1 Total number of Agency employees regardless of funding source _____
- 2 Total number of Agency Timekeepers _____, Alternates _____, Supervisors _____
- 3 Are signature cards on file in the office of District Accounting, for all current timekeepers and alternates? _____
- 4 Has District Accounting been informed as to inactive signature cards? _____
- 5 Does each authorized timekeeper have a copy of the February 1971 Time and Attendance Handbook issued by the Pay and Retirement Division, Department of Finance and Revenue? _____
- 6 Does each authorized timekeeper have access to a copy of Chapter 12 and supplements thereto of the D C Personnel Manual? _____
- 7 Are timekeepers preparing the Leave Control Record suggested in the Time and Attendance Handbook? _____
- 8 Are periodic reviews or audits made of the timekeeper's or alternate's procedures and accuracy? _____
- 9 Are all employees informed of correct procedures and obligations concerning time, leave and attendance? _____
- 10 How are your employees informed? _____

- 11 Is formal training on the maintenance of Time and Attendance records given to timekeepers and alternates? _____
- 12 How many timekeepers have received this training? _____
- 13 How many alternates have received this training? _____

- 14 How is this training and instruction accomplished? _____

- 15 Are supervisors provided training to enable them to properly administer time, leave, and attendance? _____
- 16 How many supervisors have received this training? _____
- 17 How is this training and instruction accomplished? _____

- 18 How many hours of initial training and instruction are each of the following given? Timekeepers _____, Alternates _____, Supervisors _____
- 19 Is this training continued on a periodic basis? _____

APPENDIX II

PRINCIPAL OFFICIALS OF THE
DISTRICT OF COLUMBIA GOVERNMENT
RESPONSIBLE FOR THE ADMINISTRATION OF ACTIVITIES
DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
<u>COMMISSIONER OF THE DISTRICT OF COLUMBIA</u>		
Walter E. Washington	Nov. 1967	Present

	Tenure of office	
	From	To
<u>ASSISTANT TO THE COMMISSIONER OF THE DISTRICT OF COLUMBIA</u>		
Graham W. Watt	Jan. 1970	Present
Thomas W. Fletcher	Nov. 1967	Dec. 1969

<u>OFFICE OF BUDGET AND EXECUTIVE MANAGEMENT (note a)</u>		
DIRECTOR		
John Ingram	Jan. 1971	Present
Hirst Sutton	Mar. 1969	Dec. 1970

<u>DEPARTMENT OF FINANCE AND REVENUE (note a)</u>		
DIRECTOR		
Kenneth Back	Mar. 1969	Present

^aThe Office of Budget and Executive Management and the Department of Finance and Revenue were established pursuant to Commissioner's Order 69-96, effective March 10, 1969.

Copies of this report are available from the
U S General Accounting Office, Room 6417
441 G Street, N W , Washington, D C , 20548

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